

ARTICLE 9

SECTION 12

VOLUNTARY REPAYMENT OF EXCESS PROPERTY PERSONS IN LONG TERM CARE

1. GENERAL

This section describes the procedures to follow when a beneficiary in Long Term Care (LTC) has property that exceeds the property reserve limit.

2. PROGRAM DESCRIPTION

Medi-Cal beneficiaries in LTC whose property is, or will be, in excess of the property reserve for the month may reduce their property reserve to within allowable limits by voluntary repayment to the Department of Health Services (DHS) for services received. This allows the beneficiary to avoid discontinuance of his/her case, and to receive uninterrupted Medi-Cal benefits. This procedure does not limit the beneficiary's right to spend his/her property in any way he/she wishes.

Under this program, voluntary repayment of excess property for medical services received is appropriate when:

- 1) The person is a current Medi-Cal beneficiary; and
- 2) The beneficiary is in LTC; and
- 3) The property exceeds or will exceed the property limit in the month; and
- 4) The beneficiary or the person acting on his/her behalf wishes to participate in the voluntary repayment program.

NOTE: Income received in a month, whether or not it is deposited in a checking or savings account, is not counted as property in the month of receipt or in determining whether the property exceeds the limit. See MPG Article 9, Section 1 for differentiation of income and property.

3. WORKER RESPONSIBILITIES

A. Change in Property

The beneficiary or the key person is responsible for reporting any changes in property to the worker within 10 days of the change.

B. Determine Amount of Excess Property

The source and amount of all non-exempt property held by the beneficiary is to be evaluated. It must be determined at what point in time and by what amount the property will or does exceed the limit. Form MC 176P is to be completed and filed in the case record to document this evaluation.

C. Explain Reduction of Excess Property

Whenever a beneficiary in LTC has property that is within \$300 of or exceeds the property limit, the worker must review all methods of reduction of property that will not result in ineligibility. All methods are to be explored and reviewed with the beneficiary or person acting on his/her behalf prior to suggesting voluntary repayment. MPG Article 9, Section 1 reviews the reduction of excess property requirements. If the beneficiary or person acting on his/her behalf chooses not to dispose of the excess property, the worker will explain the voluntary repayment procedure.

D. Obtain Beneficiary's Choice of Reduction

It is the beneficiary's choice whether or not to make repayment to DHS General Collections Section.

- 1) If the beneficiary chooses not to dispose of excess property and chooses not to make the voluntary repayment, the worker will take appropriate steps to discontinue/deny the Medi-Cal case when the beneficiary's property reserve exceeds the property limit, and compute any overpayment in accordance with MPG Article 16.
- 2) The method of disposition of excess property selected by the beneficiary, as well as the amount agreed to, must be documented in the case narrative.

4. VOLUNTARY REPAYMENT PROCEDURE

When the beneficiary chooses to make the voluntary repayment, the following steps and procedures are to be followed.

A. Worker Action

1) Determining the Amount

After the amount of excess property is evaluated, the worker must determine if the property amount will continue to increase on a predictable basis or if the excess is due to a one time occurrence (i.e., lump sum payment).

a) Suggested Payment Amount

A payment amount is to be suggested that will keep the property reserve below the limit for a period of six months or until one month following the month of the next annual renewal, whichever comes first.

b) Required Payment Amount

The beneficiary may pay as much as he/she is willing as long as the amount paid does not exceed the amount previously paid by Medi-Cal for services received. However, he/she is only required to pay an amount sufficient to bring the property within the limits for the current month in order to meet the terms of this procedure. The additional payment suggested above is to avoid repeating the procedure on a monthly basis.

2) Notification to DHS

The worker must notify the Recovery Branch by telephone when the beneficiary wishes to use the voluntary repayment process. The phone number is (916) 650-0491. The following information must be given:

- a) Beneficiary name.
- b) Social Security number.
- c) Date of birth.
- d) LTC facility name and address.
- e) Medi-Cal ID number.
- f) Name of the person acting on the beneficiary's behalf, if applicable, and his/her address.
- g) Amount of excess property.
- h) Reason for excess property.

DHS will set up a Recovery Branch case number and will give that number to the worker.

3) Notification to Beneficiary

The worker must notify the beneficiary or key person of the amount of repayment and where to send it by sending a NOA. The amount due on the NOA must be the amount the beneficiary has agreed to pay. The NOA states:

- a) The Recovery Branch case number, which is to be included on all correspondence with the Department; and
- b) The minimum amount which must be repaid to maintain the property reserve within the property limit; and
- c) The address where the repayment check should be sent:

Department of Health Services
Third Party Liability Branch
Recovery Section - OP
MS 4720
P.O. Box 997421
Sacramento, CA 95899-4721; and

- d) The date the payment is due.
- e) A copy must be filed in the case folder under the "notice of action" tab.

4) Thirty-Day Tickler

On the day the beneficiary indicates his/her choice of the voluntary repayment option, the worker must set a tickler for 30 days to follow-up on the payment to the General Collections Section. This must be done on the day NOA 988 is sent.

B. DHS Action

The DHS Recovery Branch will:

- 1) Establish a case in the name of the applicant/beneficiary.
- 2) Send a letter to the beneficiary or key person acknowledging receipt and send a copy to the worker upon receipt of the voluntary repayment.
- 3) Notify the worker if no repayment has been received within 60 days after the case is established.

5. EFFECTIVE DATE OF VOLUNTARY REPAYMENT

The effective date of the voluntary repayment is determined by the beneficiary's statement to the worker. The date that the beneficiary states the payment was mailed to the General Collections Section is considered the date that the excess property was reduced.

A. Recomputation

Recompute the property status of the beneficiary upon notification by the beneficiary or person acting on his/her behalf that the voluntary repayment has been made.

B. Discrepancies in Effective Date

If there is significant discrepancy between the reported date of payment and the acknowledged date of receipt by the General Collections Section, the worker will be responsible for resolving the time difference between the parties involved.

C. Case Documentation

Any explanation of time difference is to be documented in the case narrative.

D. Follow-Up TIC

When the worker is notified by DHS that the beneficiary has made a voluntary repayment, a TIC is to be made to reevaluate the property value in the month preceding the date the property limit is expected to be met or exceeded, if appropriate.

6. PAYMENT NOT RECEIVED

If the beneficiary has not made voluntary repayment within 30 days, the worker must contact the beneficiary or key person to determine if there is good cause for failure to repay. Good cause would include the beneficiary's or key person's mental or physical inability to act. If there is no good cause and property exceeds the limit, the case must be denied or discontinued. A denial or discontinuance NOA must be sent.

7. OVERPAYMENT COMPUTATION

Even though a beneficiary agrees to make a voluntary repayment, and overpayment may have occurred. MPG Article 16, Section 2 must be reviewed to determine if any overpayment has occurred and the procedures to follow. In addition, all applicable overpayment regulations and procedures are to be applied if the beneficiary fails to make the voluntary repayment within the 30-day period.

A beneficiary may have, or later be found to have, an overpayment for the same month that he/she makes a voluntary repayment. In that case, the Recovery Branch will use the voluntary repayment to offset the overpayment owed. The Recovery Branch will do the same thing if the overpayment is for a month prior to the month of voluntary repayment.

8. PUBLIC GUARDIAN CASES

The San Diego Public Guardian and the State Department of Health Services General Collections Section have established the following procedures for the voluntary repayment of excess property:

A. Notification and Payment to DHS General Collections Section

When the Public Guardian determines that the property of a Medi-Cal beneficiary is in excess of the limit, a notice and a check are sent to DHS General Collections Section.

B. Amount of Voluntary Repayment

The payment is to be in the amount necessary to reduce the beneficiary's property within the limitation for a period of six months or until one month following the next annual renewal, whichever comes first.

9. RE-ESTABLISHING ELIGIBILITY

When a beneficiary is discontinued due to excess property, voluntary repayment to the Recovery Branch to reduce property to within the property limit cannot be used to establish the individual's eligibility for any month prior to the month that the voluntary repayment is made. Eligibility can only be reestablished in the month the property is brought within the property limit.